

Statement Of

Honorable Thomas F. Hall Assistant Secretary Of Defense For Reserve Affairs

Before the

House Committee on Government Reform

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Honorable Thomas F. Hall

Assistant Secretary of Defense for Reserve Affairs

Secretary Thomas F. Hall, a native of Barnsdall, Oklahoma, was sworn in as the fourth Assistant Secretary of Defense for Reserve Affairs on October 9, 2002. A Presidential appointee confirmed by the Senate, he serves as the principal staff assistant to the Secretary of Defense on all matters involving the 1.2 million members of the Reserve Components of the United States Armed Forces. He is responsible for overall supervision of Reserve Component affairs of the Department of Defense.

Secretary Hall is a retired two-star Rear Admiral having served almost 34 years of continuous active duty in the United States Navy. He is a distinguished and decorated Naval Aviator, who served a combat tour in Vietnam. He has performed in numerous high level staff, command, and NATO positions during his career. He commanded Patrol Squadron EIGHT, Naval Air Station Bermuda,



and the Iceland Defense Force. His final military assignment was as the Commander/Director/Chief of Naval Reserve. His military awards include the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Air Medal, and various other personal and unit decorations. He was awarded the Order of the Falcon, with Commander's Cross, by the President of Iceland in recognition of his accomplishments and service as Commander Iceland Defense Force. In 2000, he was given the International Partnership Award for his service to the United States and Iceland. He has been inducted into the Oklahoma Military Hall of Fame. In 2003, he was given the National Service Award for Leadership by the Federal Law Enforcement Foundation. In 2004, he was given the National Citizenship Award by the Military Chaplains Association of the United States. In 2005, he was given the Admiral Jackson award by the Reserve Officers Association.

Secretary Hall attended Oklahoma State University for one year before entering the United States Naval Academy in Annapolis, Maryland. In 1963, he graduated from the Academy with a bachelor's degree in Engineering and was named as one of the top 25 leaders in his class, having commanded both the top Battalion and Company. He was, also, awarded the Brigade Intramural Sports Trophy. In 1971, he received a master's degree in Public Personnel Management from George Washington University. He graduated with highest distinction from the Naval War College; with distinction, from the National War College; and from the National Security Course at Harvard University. He was selected as a Fellow and served on the Chief of Naval Operations Strategic Studies Group.

Secretary Hall has served on the Boards of Directors of numerous nonprofit organizations that are supporting the needs of our veterans and citizens in general. Prior to returning to government service, Secretary Hall served as the Executive Director of the Naval Reserve Association for six years. The Naval Reserve Association is a 501 (c) (3) nonprofit veterans' organization that represents over 23,000 Naval Reserve officers, members, and their families.

Secretary Hall is married to the former Barbara Norman of Jacksonville, Florida. They have one son, Thomas David Hall.



INTRODUCTION

Chairman Davis, Ranking Member Waxman, and members of the

Committee: thank you for the invitation to offer my perspective on the Critical Role of our

National Guard to meet current and future operational requirements. I would like to provide
information to assist you in making the critical and difficult decisions you face over the next
several months. I appreciate the interest in our National Guard and Reserve Forces. On
behalf of those men and women, I want to publicly thank you for your help in providing for
our Reserve components. The Secretary and I are appreciative, and our military personnel
certainly appreciate it, also.

THE ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS' MISSION

The mission of the Assistant Secretary of Defense for Reserve Affairs (ASD/RA), as stated in Title 10 USC, is the overall supervision of all Reserve components' affairs in the Department of Defense. I make it a priority to visit with our Reserve component members in the field, and during those visits I see America's finest young men and women serving their nation with pride and professionalism. Our Guard and Reserve men and women perform--in a superb fashion--vital national security functions at home and around the world, and are closely interlocked with the states, cities, towns, and communities in America. Throughout my travels, I have seen and listened to the men and women in our Guard and Reserve at hundreds of sites throughout the world. My staff and I have spent time with members of the Guard and Reserve, and we have listened carefully to their comments, concerns, and suggestions. As you already know, the stress on the force has



increased and we are continuing to closely monitor the impact of that stress on our Guard and Reserve members, on their families and their employers.

In the four years since September 11, 2001, our Reserve components have performed extremely well in missions ranging from humanitarian assistance to high intensity combat operations; and in the case of the National Guard, state disaster assistance missions such as Hurricanes Katrina and Rita. At the same time, these operations have presented a number of challenges, particularly for our ground forces, which carry the larger burden of our security and stabilization efforts in Iraq and Afghanistan. The continuing challenge is to sustain our military forces for the current operations while meeting our worldwide commitments.

Currently, the deployment burden is not shared equally among all the Reserve components; it is concentrated on those specific capabilities and skills required for stabilization and security operations in Iraq and Afghanistan. For example, there are high demands in-theater for military police, civil affairs, military intelligence, and motor transport capabilities. In the Army, large portions of these units have been recently deployed, are currently deployed, or are scheduled to deploy. Since certain of these skills reside predominantly in our Reserve components, we have called upon many of our citizen soldiers to serve, and they have done so admirably.

PURPOSE OF THE RESERVE COMPONENTS

The purpose of the Reserve components has changed. They are no longer a strategic reserve—a force to be held in reserve to be used only in the event of a major war. They are an operational reserve that supports day-to-day defense requirements. In fact, they have been an operational reserve ever since we called them up for Operation Desert Shield.



RESERVE COMPONENT MISSIONS TODAY

The Reserve components have performed a variety of non-traditional missions in support of the Global War on Terrorism. One such mission is training the Iraqi Security Forces and the Afghan National Army. The Reserve components are now providing command and control, transition, and advisory teams in support of the training that will allow Iraqi and Afghan forces to assume a greater role in securing their own countries.

In addition, the Reserve components support missions in the Balkans, at Guantanamo, in the Sinai, and are found integrated with our active forces throughout the world.

By far the most demanding operations are Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). Reserve components currently furnish 30% of the troops in theater. The Reserve components will remain an integral player in Homeland Defense, in Operation Noble Eagle, and the National Guard will remain a dual-missioned force under both titles 10 and 32.

POLICIES

Recognizing that the Global War on Terrorism will last for many years, the

Department established a strategic approach to ensure the judicious and prudent use of the

Reserve components in support of the war effort. The personnel policy guidance published
in September 2001 established the guidelines for using the National Guard and Reserve to
support combatant commander requirements. This policy guidance specified that:

 No member of a Reserve component called to involuntary active duty under the current partial mobilization authority shall serve on active duty in excess of 24 cumulative months



- Reserve members may serve <u>voluntarily</u> for longer periods of time in accordance with Service policies
- Service Secretaries may release individuals prior to the completion of the period of service for which ordered based on operational requirements.

In July 2002, the personnel policy guidance was expanded to require proactive management of Guard and Reserve members, particularly focusing on husbanding Reserve component resources, being sensitive to the quality of life of mobilized personnel, and the impact on civilian employers of reservists. This policy guidance contained four key elements:

- 1. It reemphasized the maximum period of mobilization.
- 2. It reminded the Services of the requirement to achieve equitable treatment, to the extent possible, among members in the Ready Reserve who are being considered for mobilization—considering the length and nature of previous service, family responsibilities, and civilian employment.
- 3. It required management of individual expectations, considering morale and retention, by ensuring:
 - Reserve Component members are performing essential and meaningful tasks
 - Reservists are provided as much predictability as possible
 - Orders are issued in a timely manner, with a goal of 30 days minimum prior to deployment (Today, early notifications are the norm, not the exception)



- Reservists are provided as much of a "break" as possible before involuntarily recalling the members a second or subsequent time, with a goal of providing a break of at least 24 months.
- 4. It required tailoring mobilization and demobilization decisions by using both Selected Reserve units and individuals--as well as volunteers--before involuntarily calling members of the Individual Ready Reserve, unless precluded because of critical mission requirements; and maximizing the use of long-term volunteers when possible to meet individual augmentation requirements.

In his July 9, 2003 *Rebalancing Forces* memo, the Secretary of Defense reiterated the need to promote judicious and prudent use of the Reserve Components through a series of force rebalancing initiatives that reduce strain on the force. As part of this effort, he directed the Military Departments to structure the active and reserve forces to reduce the need for involuntary mobilizations during the first 15 days of a rapid response operation, and to plan involuntary mobilizations, when feasible, to not more than one year in every six years. This "one-in-six" construct is a planning factor only and should be viewed as such.

It is within this framework that we are managing the Reserve components. We will continue to assess the impact mobilization and deployments have on Guard and Reserve members and adjust our policies as needed to sustain the Reserve components.

STRESS ON THE FORCE

Discussion about the stress that the Global War on Terrorism is placing on the force—both active and reserve has occurred and continues. From my perspective, the



dominant question is: What level of utilization can the Guard and Reserve sustain while still maintaining a viable Reserve force?

Answering this question involves a number of issues. But first it is necessary to quantify how much of the Reserve force we have used as of August 2005 to support the Global War on Terrorism. Then I will describe the effect that our rate of utilization is having on the Reserve force.

The overwhelming majority of Guard and Reserve members want to serve, and they want to be part of the victory in the War on Terrorism. That is why they joined the Guard or Reserve and that is why they serve this nation. But we must also be mindful of the reserve service commitment, which includes drills, annual training, and the requirement to serve on active duty when called. We must do everything we can to provide reasonable service requirements within the context of that commitment by using the reserve force wisely. Also, the additional responsibilities that National Guard members bear to their respective state or territory were very evident in the recent Gulf Coast disaster.

Reserve Utilization to Date

There are two ways to look at rates of mobilization for the Guard and Reserve. The first is to look at all Reserve component members who have served since September 11, 2001—the cumulative approach.

Under the cumulative approach, a total of 455,000 Guard and Reserve members have been mobilized between September 11, 2001, and August 31, 2005. That represents about 38 percent of the 1,195,690 members who have served in the Selected Reserve during this



period. Of the total number of Guard and Reserve members who have been activated under the current partial mobilization authority, 76,561 (or 6.4 percent of all members who have served in the Selected Reserve force since September 11, 2001) have been mobilized more than once. Of the 76,561, a total of 61,445 (5.1 percent) have been mobilized twice, 11,043 (less than one percent) have been mobilized three times and just 4,073 (three tenths of one percent) have been mobilized more than three times. Most multiple call-ups involve volunteers, to the best of our knowledge. No reservist has been involuntarily mobilized for more than 24 cumulative months.

The other way to look at mobilization is in terms of today's force—those who are currently serving. Looking at today's force of 829,016 Selected Reserve members currently serving as of August 2005, we have mobilized 374,165 Reserve component members, or 45 percent of the force.

Effects of Reserve Utilization

The Department has monitored the effects of reserve utilization and stress on the force since 1996. The key factors we track are (1) end strength attainment; (2) recruiting results; (3) retention; (4) attrition; and (5) employer/reservist relations.

End Strength Attainment: From fiscal year 2000 (just before we entered the Global War on Terrorism) through 2003, the Reserve components in the aggregate were at or slightly above 100 percent of their authorized end strength. However, in fiscal year 2004 the Reserve components in the aggregate were slightly below their authorized end strength achieving 98.4 percent. Preliminary data indicates that, in the aggregate



for fiscal year 2005, the Reserve components will achieve approximately 95 percent of their authorized levels, with the most significant shortages in the Army Reserve components and the Navy Reserve. The actual end strengths for the fiscal year ending September 30, 2005 are:

ARNG – 333,177, USAR – 189,005, USNR

- 76,473, USMCR - 39,938, ANG - 106,430, USAFR - 75,802, USCGR - 8,088

Recruiting Results: In a very challenging recruiting environment, the DoD Reserve components achieved 96% of their fiscal year 2004 recruiting objectives. Fiscal year 2005 continued to present those recruiting challenges — particularly in the Army Reserve components. Overall, the DoD Reserve components achieved 85.5% of their fiscal year 2005 recruiting objectives. Two of the six DoD Reserve components will achieve, or exceed, their recruiting objectives the Marine Corps Reserve and the Air Force Reserve. The Army National Guard fell short by 12,783 (achieving 80 percent of its recruiting objective); the Army Reserve fell short by 4,626 (achieving 84 percent of its recruiting objective); the Navy Reserve fell short by 1,353 (achieving 88 percent of its recruiting objective); and, the Air National Guard fell short by 1,413 (achieving 86 percent of its objective). It should be noted that the Navy Reserve under executed its recruiting mission in anticipation of a reduction in end strength programmed for fiscal year 2006, and the Air National guard limited new accessions because attrition was lower than expected enabling the Air National Guard to meet its end strength. The outlook for fiscal year 2006 is that it will be another challenging year for reserve recruiting—particularly in the Army Reserve components.



Attrition: Measuring all losses, regardless of reason, from the Reserve components, we saw enlisted attrition remain <u>below</u> established ceilings in fiscal year 2004, and that trend continued in fiscal year 2005. All components are currently, and are projected to finish the year, near or below their established enlisted attrition ceilings. These attrition rates remain near historically low levels. FY 2005 enlisted attrition rates are generally slightly lower than the base comparison year of FY 2000 (before the current partial mobilization) – but slightly higher than last year FY 2004. Officer attrition rates generally follow the same trends as the enlisted force, but at lower levels.

(The Navy Reserve is two percent above its historical attrition rate thus far, but this is the direct result of programmed end strength reduction.)

Retention: The requirements to support the Global War on Terrorism—particularly our commitment in Iraq—have clearly placed a strain on the Reserve force.

Nonetheless, measuring those who reenlist at the completion of their current contract, we find that reenlistments were slightly higher (by about 4,000) in fiscal year 2004 than they were in fiscal year 2003, up from 94.5% of goal in FY03 to 95.5% of goal in FY04. This is a very positive trend and appears to be holding for fiscal year 2005. We are closely monitoring retention, particularly for those members who have been mobilized and deployed to support operations in Iraq and Afghanistan.

Employer/Reservist Relations: The number of complaints filed with the Department of Labor under the Uniformed Services Employment and Reemployment Rights Act declined each year from 1995 through 2000. Complaints filed during the first four



years of the Global War on Terrorism have increased, but the ratio of complaints to the total number of duty days of operational support provided actually <u>declined</u>. I've devoted more to this subject later in my statement. (Effect on Employers)

Mitigation Strategies

The department has employed several strategies to help reduce the stress on the force. The first, and one of the most important, is to ease the burden on some high demand, low density units and skills. We have employed innovative joint concepts to spread mission requirements across the entire Reserve force. For example, using joint sourcing, we will have Navy and Air Force solutions to relieve stress on the Army and Marine Corps, such as truck drivers, engineers, and supporting detainee operations.

Second, and also an important strategy is to rebalance the force. The old force was designed in response to Cold War threats. The purpose of rebalancing is to fashion the force to be responsive, producing the capabilities we need today. Rebalancing improves responsiveness and eases stress on units and individuals by building up capabilities in high demand units and skills. This is accomplished by converting capabilities in both the Active and Reserve components that are in lesser demand, changing lower priority structure to higher priority structure, which will result in a new Active component/Reserve component mix. As outlined in the January 15, 2004 report *Rebalancing Forces: Easing the Stress on the Guard and Reserve*, the rebalancing effort also seeks to limit involuntary mobilizations to reasonable and sustainable rates. The force structure planning metric was to limit the involuntary mobilization of individual reservists to one year out of every six.



The Services are improving their posture with respect to Active component/Reserve component mix by rebalancing about 70,000 spaces between fiscal years 2003 and 2005. The Services have planned and programmed additional rebalancing initiatives for FY 2006 through 2011. The amount and type of rebalancing varies by Service. By 2011, we expect to have rebalanced over 100,000 spaces. Easing stress on the force through rebalancing includes more than just military-to-military conversions.

A third initiative is the conversion of military spaces to Department of Defense civilian positions or contractors. The purpose of this initiative is to move military out of activities not "military essential." The military resources gained through this initiative are being converted to high demand/low density units and stressed career fields, which reduces stress on the force. All the services have an aggressive program to convert military to civilian over the next few years. We converted over 7,600 military spaces to civilian manning in FY 2004, converted over 16,000 additional in FY 2005, and plan to accomplish more in FY06 through FY11.

Fourth, the application of technology is also being used to offset requirements for military force structure, making more military spaces available to ease the stress in high demand areas. We plan to continue to leverage technological applications to further those offsets.

A fifth area involves innovative force management approaches under our continuum of service construct. This approach maximizes the use of volunteers, military retirees, and



provides greater opportunities for reservists who are able to contribute more to do so, and offers innovative accession and affiliation programs to meet specialized skill requirements.

Under the old rules, constraints in end strength and grade accounting hindered the use of reserve volunteers. Because reservists were counted as active duty end strength and were required to compete for promotion against active duty personnel, reservists were reluctant to volunteer for extended periods of active duty. We are extremely grateful to Congress for removing these barriers with a new strength accounting category that was included in last year's defense authorization act for reservists performing operational support.

I want to take this opportunity to personally thank the Congress for its support of our continuum of service initiatives. These policies and initiatives were developed to preserve the nature of the "citizen soldier" while still allowing us to meet operational requirements. Predictability and reasonable limits on frequency and duration of mobilization are key elements of our policies, which are designed to not only support reservists, but also sustain the support of employers and families, and ultimately enable the components to meet recruitment and retention objectives. Similarly, the emphasis on volunteerism is designed to allow service members who want to shoulder a greater burden of mobilization to do so.

Adhering to these policy guidelines and program changes will allow the Reserve components to sustain a utilization rate not to exceed 17 percent per year in the near future. Our planning factors limit the mobilization period and limit the frequency with which Reserve component members may be mobilized (e.g., to no more than one year in every six years). The Department must also complete its rebalancing effort. This will provide



reservists with reasonable tour lengths and give reservists, their families, and their employers a reasonable expectation of the reserve service requirements. With these parameters, we can sustain a viable reserve force and preserve the citizen-soldier.

Meeting Future Requirements

The Army's initiative to create provisional units—drawing upon underutilized skills to meet current mission requirements—and the DoD initiative to draw from skill sets in other components and services—the joint solution—are the near-term strategies being employed today. We will continue to maximize the use of volunteers when possible. Retiree and Individual Ready Reserve (IRR) members provide a source of volunteers. While volunteers from members of the Selected Reserve are also an option, consideration must be given to pending unit deployments and the need for unit cohesion.

Compared to Operation Desert Storm, when we mobilized 30,000 IRR members, we have not used the Individual Ready Reserve to that extent to support the Global War on Terrorism. In the past four years, we have mobilized 9,956 IRR members. The further utilization of the IRR remains a viable option for meeting both near-term and long-term commitments.

We must also establish the proper expectations for our Reserve component members, their families, their employers, and the public in general. We are undertaking a program to establish those expectations: reasonable service requirements for the 21st century based on the frequency and duration of military duty, and predictability to the greatest extent possible.



For the long term, we will continue to pursue these transformation strategies energetically. Rebalancing the force will continue, as will the conversion of military to civilian positions. The Army's transformation to a modularized structure will significantly help relieve stress on the force.

Specific examples of rebalancing include:

- Forming 18 provisional Military Police companies from Artillery Units
- Converting underused force structure to Civil Affairs, Psychological Operations,
 Chemical, Special Operating Forces, and intelligence
- Transitioning Reserve Naval Coastal Warfare squadrons to the active component.

The overall objective is to have a flexible force capable of meeting diverse mission requirements.

NATIONAL GUARD UTILIZATION

As evidenced by the three devastating hurricanes that hit Florida or the wildfires that blazed through our western states during 2004, or more recently Hurricanes Katrina and Rita, which devastated the Gulf Coast states; the National Guard is a crucial element in a Governor's response to natural disasters. Similarly, the National Guard will play a prominent role in supporting local and state authorities in their efforts to manage the consequences of a domestic terrorist attack.

An important part of this effort is the fielding of Weapons of Mass Destruction Civil Support Teams (WMD CSTs). These teams are to support our nation's local first responders as the initial state response in dealing with domestic chemical, biological, radiological, nuclear, or high yield explosives (CBRNE) by identifying the agents/substances, assessing



current and projected consequences, advising on response measures and assisting with appropriate requests for additional state support. Each team is comprised of 22 highly-skilled, full-time, and well equipped Army and Air National Guardsmen. To date, the Secretary of Defense has certified 32 teams as being operationally ready.

The fight against terrorism and the protection of our homeland will be protracted endeavors. To that end, many outside policy experts, independent panels, and analytic studies have advocated expanded roles for the National Guard in homeland security. Some have even suggested that the National Guard should be reoriented, reequipped, and retrained solely for the homeland security mission.

However, there has been no national strategy change to justify the need to establish a separate role for the National Guard, under which it only performs homeland security related missions under new statutes or administrative guidelines. There are already sufficient legal mechanisms in place that enable state and territorial governors to employ their National Guard forces in support of local authorities to meet a wide range of these existing missions. The National Guard is an integral part of the Air Force and Army total force mission capability. Their roles are vital to the survival of the nation. Therefore, we believe the National Guard should remain a dual-missioned military force.

EFFECT ON RECRUITING AND RETENTION

The high usage of the Reserve component force has been characterized as having a negative effect on Reserve component recruiting and retention. Empirical and anecdotal data do support the conclusion that the extremely high usage rates will have some negative effects. But, those same data also show that low levels of usage have negative effects, too.



Our Reserve component members are willing to serve when called. Also, recent analysis indicates that retention is high among Reserve component members whose service and mobilization experiences match their expectations. Our job is to ensure that we continue to use them prudently and judiciously. To that end, the Quadrennial Defense Review (QDR) is reviewing many facets of the Reserve components. We should be able to utilize the myriad of those findings to good advantage

However, as I indicated earlier, this has been a very challenging year for recruiting in the Reserve components. The Department is reviewing possible amendments to various statutory authorities that could enhance recruiting results. One area in particular where we are focusing our attention is in attracting service members who have separated from the Regular forces but still have a military service obligation. The temporary increase in the Reserve Affiliation bonus authorized by the congress in the supplemental appropriation is helping us attract more prior service members to serve in the Guard and Reserve. Also, the newly established Commission on the National Guard and Reserves will review personnel pay and other forms of compensation as well as other personnel benefits. Finally, the Advisory Committee on Military Compensation is looking at incentive structures and may make suggestions for improvements that the committee believes will assist the department in meeting recruiting and retention objectives.

We are working closely with these entities as they assess the compensation and benefits package needed to sustain a healthy National Guard and Reserve.



EFFECT ON FAMILIES

In one of his speeches, President Bush stated, "The time of war is a time of sacrifice, especially for our military families." This administration is sensitive to the hardships and challenges faced by Reserve component families, especially when the Reserve component member is called up and away from home for an extended period of time. All families play a critical role in retention and reenlistment decisions.

We have taken an aggressive, total force approach to supporting military families. We recognize that many families of National Guard and Reserve members do not live close to a military installation where many of the traditional family support activities are located. To address this issue, over 700 family support centers have been established around the country. In fact, the National Guard alone has over 400 family support centers. These family support centers are not component or service specific, but they are available to the family of any service member, regardless of component or service.

The Department has implemented a 24-hour/7 day a week toll-free family assistance service—Military OneSource. The support provided through this service is particularly important for young families or families of reservists who are not familiar with military service. Military OneSource can assist with referrals for every day problems such as child care and how to obtain health care.

We are also maximizing the use of technology—using the worldwide web to provide information that will help families cope with the mobilization and deployment of their spouse, son, daughter, brother, sister, relative or friend. The Reserve Affairs website includes a "Guide to Reserve Family Member Benefits," which is designed to inform family



members about military benefits and entitlements, and a "Family Readiness Tool Kit," which provides information to assist commanders, service members, family members and family program managers in preparing Guard and Reserve members and their families for mobilization, deployment, redeployment/demobilization and family reunions.

RESERVE COMPONENT HEALTH BENEFIT ENHANCEMENTS

The Department has implemented recent benefit enhancements for Reserve component members and their families authorized by Congress last year. Over the last two years Congress has authorized dramatic improvements in health benefits for Reserve component members and their families. Earlier TRICARE eligibility (up to 90 days prior to activation) for certain Reserve component members and the extension of post-mobilization health coverage for 180 days was made permanent.

In April 2005 the Department implemented the premium-based "TRICARE Reserve Select" program. This benefit is available to Reserve component members who have served on active duty in support of contingency operations on or after September 11, 2001, and commit to continued service in the Selected Reserve. As of September 2005, just under 12,200 Guard and Reserve members have taken steps to enroll in this new benefit.

Taking care of our servicemembers who have been wounded in combat or may experience adverse psychological effects of armed conflict is one of our highest priorities.

To complement and augment service programs such as the Army's Disabled Soldiers

Support System (DS3), and the Marine Corps' Marine for Life (M4L), OSD has opened the Military Severely Injured Joint Support Center. This center is a 24/7 operation to serve as a



safety net for any service member or family member who has a question or is experiencing a problem.

EFFECT ON EMPLOYERS

The mission of the National Committee for Employer Support of the Guard and Reserve (ESGR) is directly related to retention of the Guard and Reserve force. ESGR's mission is to "gain and maintain active support from all public and private employers for the men and women of the National Guard and Reserve as defined by demonstrated employer commitment to employee military service." Employer support for employee service in the National Guard and Reserve is an area of emphasis given the continuing demand the Global War on Terrorism has placed on the nation's Reserve components and the employers who share this precious manpower resource. I should state up front that the broad-based, nationwide support for our troops by employers has been and continues to be superb. In fact, we just honored 15 outstanding employers at our annual "Patriot Awards Banquet' last Saturday night, October the 15th. We truly owe all of our employers a debt of gratitude.

We respond to all inquiries we receive from an employer, family member, or individual Guardsmen or Reservist. The number of inquiries to the Employer Support of the Guard and Reserve (ESGR) is in decline. ESGR is the Department of Defense's employer outreach agency whose mission is to gain and maintain support from all public and private employers for the men and women of the National Guard and Reserve. Through its locally based network of volunteers and its full time National Staff, it reaches out to both employers and service members to help ensure the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA), 38 U.S.C., sections 4301-4334)



are understood and applied. Service members and employers may resolve USERRA conflicts by utilizing the free mediation and ombudsman services provided by this organization. Since July 2004, ESGR shows a continuing decline in the number of cases opened (from 750 per month in July 2004 to approximately 250 per month in July 2005).

Service members may also seek resolution of USERRA concerns by asking the Department of Labor Veterans Employment and Training Service (VETS) to provide technical assistance or by filing a formal complaint with VETS and invoking the formal investigative process. VETS projects that it will receive about 13% fewer USERRA complaints in FY 2006 than it did last year due largely to increased outreach efforts. (In FY 2004, there were 1,465 USERRA complaints submitted; in FY 2005, there were 1,300 complaints).

There have been 30% fewer employment-related complaints, per capita, since September 11, 2001, than were received during the last comparable mobilization in Desert Shield/Desert Storm, again primarily due to the aggressive outreach efforts and collaboration of VETS and ESGR.

One can grasp a sense of the enormous challenge facing ESGR by considering the following aggregate numbers, which helps one to understand a dynamic and complex human resource environment. There are 7.4 million employers identified by the U.S. Census Bureau. These employers, from the senior leadership, to the human resource managers, and down to the supervisors, must understand, observe, and apply the tenets of the Uniformed Services Employment and Reemployment Rights Act (USERRA). Toward



that end, ESGR has established a Customer Service Center hotline to provide information, assistance and to gather data on issues related to Reserve component service. We established the Civilian Employment Information (CEI) database requiring Reserve component members to register their employers. These databases enable ESGR to measure and manage employment issues much more effectively, and will be used by the Department to develop policies and practices that will help mitigate the impact on employers when a reservist employee is called to military duty.

Misunderstandings between employers and Reserve component members do arise.

ESGR ombudsmen provide "third-party assistance" and informal mediation services

between employers and Reserve component members. Ombudsmen provide assistance in
the resolution of employment conflicts that can result from military service. ESGR has an
initiative to train volunteers in mediation techniques to provide more effective service.

Other major initiatives by the ESGR National Staff include:

- Establishing a Defense Advisory Board (DAB) for Employer Support (comprised of senior leaders from the entire spectrum of the employer community) to provide advice on issues critical to shared human capital
- Employing information technology systems to create ESGR volunteer manpower efficiencies
- Initiating a scientific survey of employer attitudes in cooperation with the Uniformed Services University of the Health Sciences
- Enhancing strategic relationships with employer organizations such as the U. S.
 Chamber of Commerce, National Federation of Independent Business, Society for Human Resource Management, and professional associations



- Implementing a follow-up process to promote the mission of "gain and maintain" employer support by encouraging employers to sign a statement of support, review their human resource policies, train managers and supervisors, adopt "over and above" policies, and to become advocates
- Building on marketing successes achieved in the Civic National Employer Outreach program, involved nine governors, two senators, 19 mayors, 17 Adjutants General which exposed ESGR to well over 25,000 employers
- Gaining significant national exposure in traditional and new media with the singular focus of defining the American employers' role in national security

EQUIPMENT READINESS

Equipment Readiness

The Reserve components are transitioning to an operational reserve—a force supporting day-to-day operational missions and equally prepared to conduct their wartime mission. This transition stands in stark contrast to the Cold War "First to Fight" or a "Force in Reserve" these doctrines affected readiness levels both equipment and personnel. As a result, the Department is assisting the Services in adjusting their force structure through transformation initiatives with a goal to ensure the acquisition of interoperable equipment to meet joint training and operational mission requirements; a prerequisite for a seamlessly integrated Total Force.

Historically, the Reserve components have been resourced with an annual procurement budget averaging \$2.3 billion, equating to 3% of the total defense procurement budget supporting 45% of the Total Force. The Reserve components have been budgeted about \$2.5 billion in FY 2006 for equipment procurement to reduce current shortfalls and replace older equipment with more modern and capable models. The Army's reserve



components have been resourced at approximately 70% of the equipment requirement with legacy equipment accounting for 30% percent of equipment on hand. The Army has programmed \$48 billion for the Army's modularity initiative with \$15.6 billion for the ARNG and \$2.2 billion for the USAR across the FYDP.

Having said this, the Department and the Services have made an effort to balance the new requirements for the operational reserve transition requirements and the Global War on Terrorism and Home Land Defense concerns. They have reviewed and made some innovative changes to their equipping policies and budgets. This has involved evaluations of what equipment is currently on hand and how to balance these requirements with the legacy equipment, modern equipment, and the available budget.

In the short term, the Services' immediate requirements have been resolved with cross leveling of equipment among units for mobilization or having units fall on the equipment remaining in theater as Stay Behind Equipment (SBE). These equipping actions have an equipment availability and training impact on the units remaining or returning to their home station. The timeframe for the reconstitution and resetting of returning unit's equipment has also affected the available equipment inventory.

As a long term goal, given the limited budgets and expanding requirements, the Services' have developed innovative equipping strategies to meet these challenges. Some of these strategies include initiatives like our AC/RC rebalancing, the Services development of blended or augment units to share modern equipment with the Active components, the Air Force's Future Total Force and the Army's Modularity plan.



The Army has developed a dynamic transformation strategy that includes Active and Reserve component's requirements with its Modularity initiative. It establishes a means of providing force elements that are interchangeable, expandable, and tailorable to meet the changing needs of the Army. This initiative along with the GWOT requirements has also resulted in the Army's development of a new equipping strategy that guarantees mobilized units to be equipped at 100% and non-mobilized Army Reserve and Army Guard units to be equipped with training sets, and identified ARNG units to meet the Home Land Defense requirements at higher equipping rates. This strategy is a unit rotation model called the Army Force Generation Model (ARFORGEN). It spreads the operational tempo across the force and adds predictability for Soldiers, families and employers. As a managed, cyclical process, ARFORGEN consists of progressive and sequential levels of increasing readiness from reset/train, to a ready force available to deploy. While the optimal rotation rates of AC and RC forces will differ (AC=1 deployment in 3 years, USAR = 1 deployment in 5 years and ARNG = 1 deployment in 6 years), the necessary planning, resourcing, and training validation process will be synchronized so that the Army can generate ready forces from both components to achieve a steady state deployment capability.

We are excited about the future. The Department is focused on the Reserve component efforts to integrate into a cohesive total force with the Active Component. This will result in a total force capable of meeting all requirements through a combination of equipment redistribution from the Active component, new procurements, and sustained maintenance.



EFFECT ON TOTAL FORCE

To further that cohesive total force, The Department is partnering with the Reserve Forces Policy Board to host a conference in November entitled "The New Reserves: Strategic in Peace, Operational in War." The objective is to present evidence and establish facts regarding Reserve force utilization and personnel management in view of expanded use and anticipated future demands for their use. We expect to generate wide interest throughout DoD, the congressional staff, and military associations.

LEGISLATIVE ACTIONS

While too early to list FY06 legislation, last year's legislative efforts are extremely helpful in managing the Reserve components. Most notable was the ability to allow members to be on active duty without the "179-day rule" detracting from mission completion.

Also, the increased bonus and incentive programs will make a difference for the Reserve components in meeting recruiting and retention goals in a very challenging environment. The services are implementing the enhancements to the reserve enlistment and reenlistment bonuses, which doubled and in some cases tripled the authorized bonus amount and the new reserve officer accession/affiliation bonus. These changes have aided our efforts greatly and will have far-reaching effects on our ability to recruit and retain members.

The improved involuntary access to Reserve component members for enhanced training will enable us to "Train-Mobilize-Deploy." This change provides commanders added flexibility to train for non-traditional emergent missions. It should also decrease the



duration of operational mobilizations. The Department's goal for Mobilization for Training is to ensure judicious and prudent use of Reserve component forces and we await the Services mobilization for training concepts.

As I mentioned earlier, we now have a very supportive set of medical benefits.

CONCLUSION

In summary, we must guard against overuse of our reserve components through judicious and prudent use; encourage volunteerism; manage expectations through predictability and timeliness; continue to address family concerns; and finally continue to encourage our employers at every turn. A mission-ready National Guard and Reserve is a critical element of our National Security Strategy. The requirement for our Reserve components has not, and will not lessen. Our Reserve components will continue with their expanded roles in all facets of the Total Force.

We cannot lose sight of the need to balance their commitment to country with their commitment to family and civilian employers. The idea of "Operational Reserve Components" is now fact. That is why relieving stress on the force is absolutely essential, rebalancing is so crucial, and ensuring that utilization not turn into over-utilization so critical.

Thank you very much for this opportunity to testify on behalf of the greatest Guard and Reserve force this nation, and the world, has ever known.